

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et
al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

Re: ECF No. 17166

(Jointly Administered)

URGENT JOINT MOTION FOR EXTENSION OF STATUS REPORT DEADLINE

To the Honorable United States District Court Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Commonwealth pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² and Suiza Dairy Corp. (“Suiza”) respectfully submit this urgent joint motion for entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), extending the deadline established in the *Order Setting Deadline for Status Report in Connection with Suiza Dairy Corp.’s Urgent Motion*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Last Four Digits of Federal Tax ID: 3801) (Last Four Digits of Federal Tax ID: 3801) (Bankruptcy Case No. 19-BK-5523-LTS). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

Requesting a Ruling or Entry of Comfort Order [ECF No. 20547] (the “Status Report Order”), and state as follows:

Background

1. On June 25, 2021, Suiza filed its *Urgent Motion Requesting a Ruling or Entry of Comfort Order as to the Non-Applicability of the Automatic Stay to a Limited Controversy with the Commonwealth of Puerto Rico Arising Post-Petition and Having Post-Petition Effects but Partially Based on a Pre-Petition Judgment Incorporating Milk Regulations Established by the United States District Court for the District of Puerto Rico and Not Involving Property of the Debtor or its Estate* [ECF No. 17166] (the “Suiza Motion”), seeking a comfort order to allow for the commencement of litigation to enforce that certain *Final Settlement Agreement and Memorandum of Understanding Between the Parties* (the “Dairy Producer Settlement”) with respect to the Office of Milk Industry Regulatory Administration for the Commonwealth’s (“ORIL”) alleged postpetition breach of the Dairy Producer Settlement through the issuance of Administrative Order 2021-18 (the “Administrative Order”).

2. On July 20, 2021, the Commonwealth filed the *Objection of the Commonwealth of Puerto Rico to Urgent Motion Requesting a Ruling or Entry of Comfort Order as to the Non-Applicability of the Automatic Stay to a Limited Controversy with the Commonwealth of Puerto Rico Arising Post-Petition and Having Post-Petition Effects but Partially Based on a Pre-Petition Judgment Incorporating Milk Regulations Established by the United States District Court for the District of Puerto Rico and Not Involving Property of the Debtor or its Estate* [ECF No. 17432].

3. On July 27, 2021, Suiza filed the *Suiza Dairy’s Reply to Objection of the Commonwealth of Puerto Rico to Urgent Motion Requesting a Ruling or Entry of Comfort Order as to the Non-Applicability of the Automatic Stay to a Limited Controversy with the*

Commonwealth of Puerto Rico Arising Post-Petition and Having Post-Petition Effects but Partially Based on a Pre-Petition Judgment Incorporating Milk Regulations Established by the United States District Court for the District of Puerto Rico and Not Involving Property of the Debtor or its Estate [ECF No. 17527].

4. On January 18, 2022, the Court entered the *Order and Judgment Confirming Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority* [ECF No. 19813], confirming the *Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.*, dated January 14, 2021 [ECF No. 19784] (the “Plan”).³

5. On March 15, 2022, the Effective Date of the Plan occurred, and the Plan was substantially consummated [ECF No. 20349].

6. On April 12, 2022, the Title III Court entered the Status Report Order, directing Suiza and the Commonwealth to file a joint status report on or before May 2, 2022 at 5:00 p.m. (Atlantic Standard Time) (the “Status Report Deadline”) relating to, among other things, the status of the Petition for Judicial Review before the Puerto Rico Court of Appeals relating to the Administrative Order filed by Vaquería Tres Monjitas, Inc., and any other administrative or regulatory review process Suiza has pursued in connection with the Administrative Order.

Request for Relief

7. In light of the confirmation and consummation of the Plan, the Oversight Board and Suiza are engaging in discussions to seek a consensual resolution of the Suiza Motion, if possible, that would obviate the need to file a joint status report pursuant to the Status Report

³ Unless otherwise defined herein, capitalized terms shall have the meanings ascribed thereto in the Plan.

Order. These discussions, however, remain ongoing. Accordingly, the Oversight Board and Suiza respectfully request an extension of the Status Report Deadline from May 2, 2022 to **May 16, 2022 at 5:00 p.m. (Atlantic Standard Time)**.

8. Pursuant to Paragraph 1.H of the *Sixteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 20190-1] (the “Case Management Procedures”), the Oversight Board and Suiza hereby certify that they have carefully examined the matter and concluded that there is a true need for an urgent motion; they have not created the urgency through any lack of due diligence; have made a bona fide effort to resolve the matter; and have made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court.

Notice

9. The Oversight Board has provided notice of this motion in accordance with the Case Management Procedures to the following parties: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for the Debtors’ bonds; (c) the entities on the list of creditors holding the 20 largest unsecured claims against COFINA; (d) counsel to the statutory committees appointed in these Title III cases; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to the Oversight Board; (g) the Puerto Rico Department of Justice; (h) the Other Interested Parties;⁴ and (i) all parties filing a notice of appearance in these Title III cases. A copy of the motion is also available at <https://cases.ra.kroll.com/puertorico/>.

⁴ The “Other Interested Parties” include the following: (i) counsel to certain of the insurers and trustees of the bonds issued or guaranteed by the Debtors; and (ii) counsel to certain ad hoc groups of holders of bonds issued or guaranteed by the Debtors.

10. The Oversight Board and Suiza submit that, in light of the nature of the relief requested, no other or further notice need be given.

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WHEREFORE, the Commonwealth and Suiza request the Court enter the Proposed Order and grant such other relief as is just and proper.

Dated: April 28, 2022
San Juan, Puerto Rico

Respectfully submitted,

PROSKAUER ROSE LLP

/s/ Brian S. Rosen
Martin J. Bienenstock (pro hac vice)
Brian S. Rosen (pro hac vice)

Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900

O'NEILL & BORGES LLC

/s/ Hermann D. Bauer
Hermann D. Bauer
USDC No. 215205
Carla García-Benítez
USDC No. 203708
Gabriel A. Miranda
USDC No. 306704
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944

*Attorneys for the Financial Oversight and
Management Board as representative for the
Commonwealth*

REICHARD & ESCALERA, LLC

/s/ Rafael Escalera Rodríguez
Rafael Escalera Rodríguez
USDC-PR No. 122609
escalera@reichardescalera.com

/s/ Christopher A. Dávila
Christopher A. Dávila
USDC-PR No. 304103
cdavila@reichardescalera.com

255 Ponce de León Avenue
MCS Plaza, 10th Floor
San Juan, PR 00917-1913
Telephone: (787) 777-8888

Attorneys for Suiza Dairy Corp.

Exhibit A

Proposed Order

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et
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Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

Re: ECF No. 17166

(Jointly Administered)

**ORDER GRANTING
URGENT JOINT MOTION FOR EXTENSION OF STATUS REPORT DEADLINE**

Upon the *Urgent Joint Motion for Extension of Status Report Deadline* (ECF No. []), the “Extension Motion”);² and the Court having found that the relief requested in the Extension Motion is in the best interests of the Commonwealth and Suiza; and the Court having found that the Oversight Board provided adequate and appropriate notice of the Extension Motion under the circumstances and that no other or further notice is required; and the Court having reviewed the Extension Motion; and the Court having determined that the factual bases set forth in the Extension

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² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Extension Motion.

Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Extension Motion is granted as set forth herein.
2. The Status Report Deadline shall be extended to **May 16, 2022 at 5:00 p.m.**
- (**Atlantic Standard Time**).
3. This Order resolves Docket Entry No. [] in Case No. 17-13283.

SO ORDERED.

Dated: [], 2022

LAURA TAYLOR SWAIN
United States District Judge